



**WRITTEN TESTIMONY OF**  
***Dan McIntyre, President and Executive Director***  
***The Charlotte Hungerford Hospital***  
**SUBMITTED TO THE**  
**Public Health COMMITTEE**  
**March 21, 2012**

**SB 425, An Act Concerning A Basic Health Program**

I am writing today in opposition to **SB 425, An Act Concerning A Basic Health Program**. As you know, Hospitals throughout the state provide care to all people regardless of their ability to pay. In fact, every three minutes, someone without health insurance comes to a Connecticut hospital in need of inpatient, emergency, or outpatient surgical services. In this sense, we serve as the ultimate safety net providers and offer care 24 hours a day, seven days a week, 365 days a year.

In serving this function, each day, Hospitals see the consequences and health implications for individuals and families who lack access to care and coverage. Emergency departments are filled with individuals who cannot find a physician to care for them because they are uninsured or underinsured – or they are Medicaid beneficiaries and few physicians will accept the low rates paid by Medicaid. Because of this, we are treating both those who have delayed seeking treatment because of inadequate or no coverage, and those who have no other place to receive care.

Charlotte Hungerford Hospital has long embraced the goals of national policy to improve access to high quality care and keep costs down. Our strategies are multiple and we have evidence to support they are working. But success is dependent on so many external factors, many of which feel so beyond our control. As we observe the emerging approaches to expanding health insurance coverage in Connecticut, we can't help but be filled with questions and concern.

We stand ready to partner on solutions to create a system of healthcare coverage that ensures access to all residents. However, such a system must ensure seamless coordinated care that is affordable to individuals and families, and is sufficiently financed. The ultimate goal is to establish a healthcare system through which coverage is affordable and sustainable, and access to care is guaranteed.

Each day we work with uninsured individuals and families to enroll them into Medicaid. Consistent with this, we continue to support any efforts that make it easier to be eligible for and keep Medicaid. We support continuous eligibility, presumptive eligibility, self declaration, raising the income limits for those eligible for Medicaid, and early adoption of Medicaid for single adults. But SB 425 represents a policy direction that undermines the

development of Medicaid and will not advance the policy goals in the way articulated by its proponents.

As you know, SB 425 directs the Department of Social Services to establish a Basic Health Plan (BHP) for those individuals with a family income between 133 and 200 percent of the federal poverty level (FPL). The BHP would become the new insurance coverage for those individuals currently on Medicaid with incomes above 133 percent of federal poverty guidelines, as well as others not currently enrolled in Medicaid that meet the eligibility criteria. The BHP would be funded by accessing 95 percent of the available tax credit that would have been provided to the individual, if the individual had gone through the newly formed Health Insurance Exchange.

As we understand it, proponents of the legislation expect that this new source of federal dollars would be sufficient to reduce the state's expense for these Medicaid individuals. It is hoped that there might be some federal dollars left over. If there are, and only in that instance, the proposed legislation calls for using those dollars to adjust reimbursement rates for providers.

The fundamental problem with this approach is that it doesn't resolve the existing problems of the Medicaid program for patients, providers, or businesses. As we all know, in both good times and bad, inadequate funding for Medicaid has been a problem that has affected beneficiaries, the state, Hospitals, and employers. Beneficiaries suffer inadequate access to non-hospital services, the state can't afford it, and Hospitals struggle with how to shift the Medicaid underfunding of more than \$1 million a day statewide to those who get their health insurance through their employer. On the unsustainable track that we are on, that Medicaid cost shift will soon be approaching \$2 million dollars a day.

In our opinion, the creation of the BHP would exacerbate these existing problems. First and most important, it will not improve access to non-hospital based services for Medicaid patients. Second, it doesn't provide any assurance that the operation of this plan will not add to the already staggering cost shift borne by Connecticut businesses and employees. In our view, adoption of a BHP will cause us to have missed a historic opportunity to break the cycle of inadequate access and the employer burden that results from cost-shifting.

We believe a better approach would be to enroll these individuals into the Health Insurance Exchange, and supplement federal funding with the resulting state savings. This would provide these individuals with the resources necessary to cover any out-of-pocket expenses and missing services. It will also focus efforts of reform in Connecticut by assuring that the federally mandated establishment of a Health Insurance Exchange be the "one stop shop" envisioned by national and state leaders.

Thank you for your consideration of our position.